

11-1962

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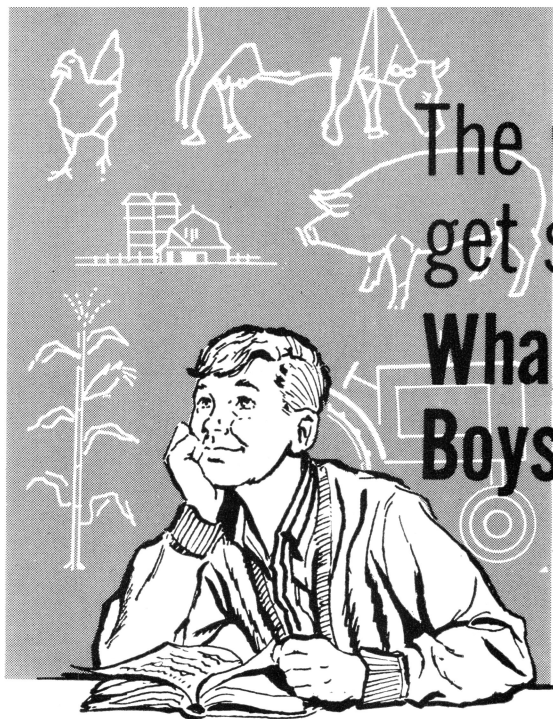


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Recommended Citation

Eldridge, Eber; Kaldor, Donald R.; Burchinal, Lee G.; and Arthur, I. W. (1962) "The Money To Get Started - What Do Farm Boys Expect?," *Iowa Farm Science*: Vol. 17 : No. 5 , Article 2.
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The money to get started... What Do Farm Boys Expect?

It takes a lot of capital to acquire and to operate an Iowa farm. The study of the occupational plans and preferences of Iowa farm boys helps to indicate just how much influence capital needs have on their plans.

by Eber Eldridge, Donald R. Kaldor, Lee G. Burchinal and I. W. Arthur

THE INVESTMENT needed to farm is growing! As average farm size increases and with increased mechanization, a high school boy planning a farming career may "view with alarm" the total capital investment required.

And perhaps he has good reason! The USDA recently reported average per-farm investments for 1960 as follows:

Corn Belt, cash grain	\$109,660
Corn Belt, hog-beef	\$ 83,370
Corn Belt, hog-dairy	\$ 56,240
Dairy farms	\$ 40,600

A recent study of the occupational preferences and plans of Iowa high school senior farm boys indicates that—as potential farmers—they are concerned about the high capital requirements for acquiring and operating an Iowa farm. Many of the 860 boys participating in the study listed the "high capital requirement" as an important reason for *not* planning to farm. Boys who were planning to farm frequently gave

"high capital requirement" as a major obstacle to entry into farming.

What Does It Take?

Farming is neither the most difficult nor the easiest of occupations to enter. There are no highly restrictive training requirements as in many professions. Entry is possible by persons having a wide range of skills, knowledge and social and personality characteristics.



To farm, however, an individual needs some land. The ability to acquire needed land is closely related to a person's financial position, that of his family, or both. This is obvious if the land comes by purchase, gift or inheritance. But it's true to some extent also if the land is rented; other things equal, landlords usually prefer

tenants with a relatively good capital position.

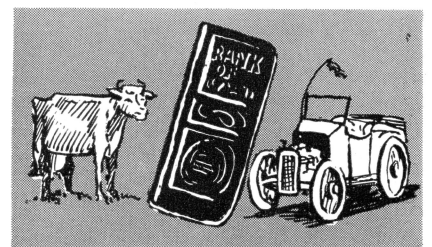
Adequate financial resources are essential to enter and succeed in many nonfarm occupations, too. Some require long periods of expensive training or large outlays for tools or other equipment. But there also are many nonfarm occupations where entry or labor earnings aren't as dependent on large financial outlays as is farming.

As a result, it might be expected that the occupational plans of farm boys would be influenced by the financial resources available to them. For example, boys with extremely limited resources might be expected to choose farming less often than boys not so limited. But the relation of financial resources to occupational plans is complicated by other factors. These include the relative importance of family and personal resources, the influence of his parents on his occupational choice and decision and the claims of brothers and sisters on family resources.

Boys' Resources . . .

In our study, each boy was asked to list and place a market value on his own financial assets. Most of the assets consisted of livestock, crops, automobiles and cash. The average value of assets owned by boys planning to farm was \$2,750. The figure for boys planning nonfarm occupations was \$1,420. The average value of assets owned by both groups was small in relation to the amount of capital needed to start an efficient farming operation. So the amount of personally owned capital probably wasn't a great influence in the plans of most boys.

It was more important, however, among boys who said they were "certain" of their occupa-



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tional plan. In this group, the average value of owned assets was \$5,070 for boys planning to farm, compared with \$1,720 for boys not planning to farm. A boy with \$5,000 or more of assets probably has enough to give him considerable encouragement in the direction of farming. Boys planning to farm who were "certain" of their plans had more than twice the assets of those who were "fairly certain" and almost four times as much as those who were "fairly uncertain."

These assets, however, may be only a small part of the capital available. Varying kinds and amounts of family assistance might be expected, and the total amount of family assistance a boy expects is likely to be related to the financial status of his family.

Family Resources . . .

Boys who planned to farm came from families with an average net worth of slightly more than \$40,000. In contrast, boys who planned to enter nonfarm occupations came from families with an average net worth of just over \$29,000 (table 1). The difference was even larger for boys who said they were "certain" of their occupational plans. In this group, the average net worth for families of boys planning to farm was more than \$49,000, compared with less than \$26,000 for families of boys planning nonfarm jobs. Evidently, the parents of boys planning to farm had more capacity to provide financial as-

sistance than the parents of boys planning nonfarm careers.

There were similar differences for acres owned, acres operated and acres harvested—characteristics highly correlated with farm income. Families of boys planning to farm owned an average of 186 acres, operated an average of 263 acres and harvested an average of 203 acres. In contrast, families of boys planning nonfarm jobs owned an average of 123 acres, operated an average of 228 acres and harvested an average of 169 acres.

College Plans . . .

Plans to attend college also seemed associated with family financial resources. The boys were divided into three net-worth groups. The high group included boys whose parents had a net worth of \$35,000 or more. The medium group included families with a net worth of between \$15,000 and \$35,000. And the low group included families with less than \$15,000 net worth. The college plans of each group of boys were determined, and the results are shown in table 2.

In the high net-worth category, 43 percent of the boys planned to attend college. This compares with 34 percent in the medium group and 30 percent in the low group.

The differences in college plans between boys planning to farm and those not planning to farm were large within each net-worth class. In the high net-worth group, 64 percent of the boys



who were not planning to farm were planning to attend college. Only 21 percent of the boys planning to farm intended to enter college. In the middle net-worth category, 44 percent of the boys not planning to farm had college aspirations as compared with 18 percent of the boys planning to farm. And in the low net-worth group, almost 40 percent of the boys not planning to farm expected to attend college as against only 9 percent of the boys planning to farm. Thus, farm boys who plan to farm seem to have lower educational aspirations than those who plan nonfarm careers.

Family Assistance . . .

With large differences in family resources, it might be expected that boys who planned to farm would receive more family assistance than boys who planned nonfarm occupations. We asked the boys a series of questions to learn their expectations of family assistance (1) in getting started in farming and (2) in getting started in a nonfarm job or business.

For Farming: Nearly 72 percent of the boys planning to farm were expecting some family help in getting started. This compares with 58 percent of the boys planning nonfarm careers. There was little or no difference in the proportions expecting help in the form of money loans. The average money loan expected by boys planning to farm was \$4,300; that expected by boys planning nonfarm jobs was \$3,820.

A substantially greater proportion of boys planning to farm expected parental gifts of land, livestock, machinery and money. Likewise, the average value of gifts expected by boys planning to farm (\$4,730) was consider-

TABLE 1. Family net worth, by occupational plan and uncertainty.

Certainty of occupational plan	Boys planning to farm		Boys not planning to farm	
	Number	Av.	Number	Av.
Certain	52	\$49,567	33	\$25,985
Fairly certain	185	38,878	235	29,330
Fairly uncertain	40	33,688	110	30,136
Very uncertain	18	41,111	29	38,000
ALL	295	40,195	451	29,085

TABLE 2. Plans to attend college, by boys' occupational plans and family net worth.

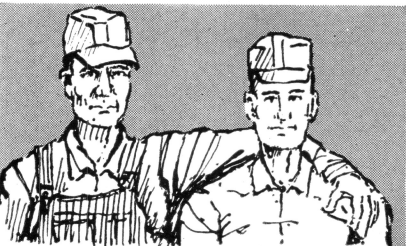
Family net worth	All boys (percent)	Boys planning to farm (percent)	Boys planning nonfarm jobs (percent)
High, \$35,000 or more	43	21	64
Medium, \$15,000-\$34,999	34	18	44
Low, less than \$15,000	30	9	40

TABLE 3. Boys' expectations of family assistance in getting started in farming, by occupational plan.

Characteristic	Boys planning to farm		Boys planning nonfarm jobs	
	No.	Percent	No.	Percent
Expecting some help from parents in getting started in farming	236	72	294	58
Expecting a loan of money ^a	136	41	189	37
Expecting gifts of land, livestock, machinery and money ^b	222	67	273	47
Expecting use of parents' land ^c	86	26	90	18
Expecting opportunity to begin farming with father	227	69	235	50
Type of father-son arrangement:				
Hired hand	8	4	22	9
Rent land and use father's machinery	60	26	50	21
Work and share income on home farm	152	67	152	65
No special arrangement	7	3	11	5
^a Av. amount of loan expected	\$4,300		\$3,820	
^b Av. value of expected gifts	4,730		3,305	
^c Av. value of land	33,390		30,740	

ably larger than that expected by boys planning nonfarm occupations (\$3,305). About 26 percent of the boys planning to farm expected the use of parents' land having an average value of \$33,390. On the other hand, 18 percent of the boys planning nonfarm careers believed that they could have expected the use of parents' land having an average value of \$30,740. The average value of all family assistance expected by boys planning to farm was about 12 percent greater than that expected by boys planning nonfarm jobs (table 3).

Family assistance may also take the form of a father-son arrangement in farming. Each boy was asked, "Would you have an opportunity to begin farming in some arrangement with your father?" Of the 328 boys planning to farm who answered this question, 227 or almost 69 percent said yes. Of the 471 boys not planning to farm who responded to the question, 235 or only 50 percent said yes.



Because of differences in net worth and farm size, a smaller proportion of the families of boys not planning to farm would be in

a position to offer attractive father-son opportunities. Since such an arrangement eases the difficulties of entry into farming, it isn't surprising that a larger proportion of boys planning to farm expected an opportunity to begin farming with their fathers.

Differences in the availability of capital resources help to explain why some farm boys plan to farm and others plan nonfarm careers. Boys who planned to farm owned more financial assets and they expected more assistance from their families in getting started in farming than did boys who planned nonfarm occupations. And families of boys planning to farm were financially more able to provide assistance.

For Nonfarm Job: Differences in family financial resources, however, were not reflected in the boys' expectations of family assistance in getting started in a nonfarm job or business. There was little or no difference between (1) the proportion of boys planning to farm who thought they could expect family assistance in entering a nonfarm job or business and (2) the proportion of boys planning nonfarm occupations who expected such assistance. And there was little if any difference in the proportions expecting money loans or gifts.

Nearly 35 percent of the boys planning to farm said that they could expect a money loan to get started in a nonfarm occupation, compared with 38 percent of the boys planning nonfarm jobs. The

average size of loan didn't differ appreciably—\$2,696 for the boys planning to farm and \$2,641 for the boys planning nonfarm jobs. Nearly 28 percent of the boys in both groups expected help in the form of gifts. The average size gift expected was \$850 for the boys planning to farm and \$735 for the boys planning nonfarm jobs.

Both groups believed they could expect less assistance in getting started in a nonfarm job or business than in entering farming. However, the differences were smaller for the boys planning nonfarm jobs. Thus, the expectation of family assistance probably gave both groups more encouragement to enter farming than to enter nonfarm occupations. But it undoubtedly gave more encouragement toward farming for the boys planning to farm than for the boys planning nonfarm jobs. Over 67 percent of the boys planning to farm and more than 47 percent of the boys not planning to farm expected gifts from their parents if they were to start farming. But if they were to enter a nonfarm occupation, only 28 percent of both groups expected family assistance in the form of gifts.

What Influence?

Whether or not the parents were consciously exerting this influence on occupational plans isn't known. Nevertheless, the impact of the expectations of family assistance may have been substantial. It may have reflected a conscious effort on the part of parents to encourage their sons to enter farming, or it may have reflected the greater adaptability of family resources in providing assistance to get started in farming.

The resources available to the typical farm family can be used more readily to assist entry into farming than into most nonfarm occupations. Yet it is difficult to explain why farm boys expected gifts or loans of money if they were to farm rather than take a nonfarm job, unless they believed that their parents preferred that they farm.